S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of) **UPPER MICHIGAN ENERGY RESOURCES**) **CORPORATION** for reconciliation of its power supply) cost recovery plan (Case No. U-21431) for the) 12 months ended December 31, 2024.) ______________________________________)	Case No. U-21432

At the October 9, 2025 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 6, 2025, Upper Michigan Energy Resources Corporation (UMERC) filed an application in this docket, with supporting testimony and an exhibit, requesting approval of its power supply cost recovery plan reconciliation for the 12-month period ended December 31, 2024, pursuant to Section 6j of Public Act 304 of 1982, MCL 460.6j.

A prehearing conference was held on May 6, 2025, before Administrative Law Judge James M. Varchetti. UMERC and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Upper Michigan Energy Resources Corporation's 2024 power supply cost recovery total cumulative underrecovery of $112,835 for its WEPCo and WPSC Rate Zones is approved.

C. Upper Michigan Energy Resources Corporation shall reflect the $112,835 underrecovery amount as its 2025 power supply cost recovery reconciliation beginning balance.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheac1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of October 9, 2025.

Lisa Felice

Lisa Felice, Executive Secretary

EXHIBIT A

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of **UPPER MICHIGAN ENERGY RESOURCES CORPORATION** for reconciliation of its power cost recovery plan (U-21431) for the 12-month period ended December 31, 2024.	)))))	Case No. U-21432

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System's Administrative Hearing Rules, 792.10431, Upper Michigan Energy Resources Corporation ("UMERC" or the "Company") and the Commission Staff ("Staff") agree as follows:

1. On March 6, 2025, the Company filed with the Commission its application, testimony and an exhibit seeking authority to reconcile the power supply costs and revenues for the 12-month period ending December 31, 2024.

2. On April 4, 2025, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its electric service area, as well as to intervenors in Case Nos. U-21600, U-21431, U-21541, and U-18061. Furthermore, the Company was directed to publish the Notice of Hearing in newspapers of general circulation in its electric service area. Consistent with the Executive Secretary's directives, the Company electronically filed its affidavit of mailing and proofs of publication prior to the prehearing conference.

3. On May 6, 2025, Administrative Law Judge James M. Varchetti conducted the prehearing conference. The Company and Staff attended the prehearing conference. There were no intervenors.

4. Staff conducted a review that consisted of tests of mathematical accuracy and analytical tests for reasonableness. Staff also conducted a detailed analysis of the PSCR costs and revenues for the reconciliation period.

5. Subsequently, the parties engaged in settlement discussions and agreed as follows:

a. The expenditures charged in the WEPCo and WPSC Rate Zones for the cost of power supply were reasonably and prudently incurred for the 12-month period ending December 31, 2024, and the purchase practices followed comport with the 2024 power supply cost recovery ("PSCR") Plan as approved by the Commission in Case No. U-21431.

b. UMERC experienced a total under-recovery of $89,328 for its WEPCo Rate Zone during the period ending December 31, 2024. This amount reflects the roll-in of the 2023 over-recovery authorized in Case No. U-21266, and interest.

c. UMERC experienced a total under-recovery of $23,507 for its WPSC Rate Zone during the period ending December 31, 2024. This amount reflects the roll-in of the 2023 over-recovery authorized in Case No. U-21266, and interest.

d. Based on the approval granted to UMERC in Case No. U-21541 to implement a singular PSCR base rate and line loss factor in both the WEPCo and WPSC Rate Zones effective January 1, 2025, it is agreed that

UMERC shall reflect the total cumulative under-recovery of $112,835 ($89,328 plus $23,507) as the 2025 PSCR reconciliation beginning balance for its (now combined) UMERC PSCR clause.

6. All the parties are of the opinion that this Settlement Agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and will aid in the expeditious conclusion of this case.

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under Michigan Rule of Evidence 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the Settlement Agreement or the Commission shall make any reference to, or use this Settlement Agreement nor the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

8. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-21432. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement.

9. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the

entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, it shall not constitute any part of the record in this proceeding or be used for any other purpose and shall not operate to prejudice the pre-negotiation position of any party.

10. All parties agree to waive § 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding if the Commission approves this Settlement Agreement without modification.

UPPER MICHIGAN ENERGY RESOURCES CORPORATION

Sherri A. Wellman

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman email = wellmans@millercanfield.com C = US O = Miller Canfield
Date: 2025.09.23 10:35:46 -04'00'

Dated: September 23, 2025 By:____________________

Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
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(517) 483-4954

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Michael J. Orris
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Dated: September 23, 2025 By:____________________

Its Attorney
Michael J. Orris (P51232)
Assistant Attorney General
Michigan Public Service Commission
7109 W. Saginaw Hwy., 3rd Floor
Lansing, Michigan 48917
(517) 284-8140

P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-21432

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on October 9, 2025 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

Brianna J. Brown

Brianna Brown

Subscribed and sworn to before me
this 9th day of October 2025.

Angela P. Sanderson

Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21432

Name	On Behalf Of	Email Address
James M. Varchetti	ALJs - MPSC	varchettij@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Sherri A. Wellman	Upper Michigan Energy Resources Corporation	wellmans@millercanfield.com
Upper Michigan Energy Resources Corporation	Upper Michigan Energy Resources Corporation	colleen.sipiorski@wecenergygroup.com